

5426

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**Written Testimony of
The Permanent Commission on the Status of Women
Before the
Human Services Committee
Thursday, February 5, 2009**

In Support of:

H.B. 5426, AAC Child Care Subsidies for the Unemployed Under the Care 4 Kids Program

Senator Doyle, Representative Walker and members of the committee, thank you for this opportunity to provide written testimony in support of H.B. 5426, AAC Child Care Subsidies for the Unemployed Under the Care 4 Kids Program, which would provide parents who lose their jobs or are transition to a new job with child care assistance.

Twenty-percent of Connecticut working families do not have enough income to meet their basic costs of living.¹ Of the 20%, female head of households represent 29% vs. 14% of male head of households.² The cost of childcare can be very high, and requires a significant share of a family's monthly earnings – most families in Connecticut spend 30% to 40% of their income on childcare.³

Work supports such as adequate health insurance coverage and childcare are critical to helping low-wage mothers stay employed. During the state fiscal crisis of the early 2000s, many publicly funded work support programs were either reduced or eliminated, with those working often the first cut from the programs. In addition, many work support programs are time-limited or phase-out as income rises, limiting low-income mothers' ability to stay employed.

A study conducted by the Center for Economic and Policy Research examined how patterns of Medicaid and childcare access affect women's employment outcomes. The author points out that, in order to receive publicly funded health and childcare work supports, many women need to either be on welfare or have just exited welfare. Many working families cannot afford to purchase health insurance and childcare, and only those who very recently left welfare have any likelihood of receiving public benefits. This creates a hole in the safety net for low-wage working women that do not receive welfare, who are not likely to have access to employer-provided health insurance or to have sufficient income to purchase health insurance and childcare in the market.⁴

¹Diana M. Pearce, Ph.D. *Overlooked and Undercounted: Where Connecticut Stands*. Prepared for the Permanent Commission on the Status of Women, June 2007.

²Ibid.

³Diana M. Pearce, Ph.D. *The Real Cost of Living in 2005: The Self-Sufficiency Standard for Connecticut*, Office of Workforce Competitiveness, State of Connecticut, 2005.

⁴Heather Boushey, Ph.D. *The Effects on Employment and Wages When Medicaid and Child Care Subsidies are No Longer Available*. Center for Economic and Policy Research, January 26, 2005. < http://www.cepr.net/publications/Effects_on_employment_wages_without_medicaid_child_care_subsidies.htm>.

The Care4Kids program is a work support for low- and moderate-income families who need help paying for childcare while parents are at work, in school or in training. Maintaining these services in times of economic crisis is essential to the recovery process.

We look forward to working with you to address this important issue. Thank you for your consideration.